Remarks of FCC Chairman Kevin J. Martin 2008 International Telecommunications Union Global Symposium for Regulators March 12, 2008 Pattaya, Thailand

As prepared for delivery

"Policies for Open Access to Wireless Services"

Good morning, ladies and gentlemen. It is a privilege for me to join so many colleagues from around the world at the 8th Global Symposium for Regulators. This Symposium provides a unique opportunity to focus collectively on the challenges that we face as regulators and policymakers.

Let me first thank ITU Secretary General Dr. Hamadoun Touré and the Development Bureau – especially Director Sami Al Basheer – for arranging this year's Symposium. I must also extend my appreciation to our hosts, the Ministry of Information and Communication Technology and the National Telecommunications Commission of Thailand, for their hospitality and for giving us an opportunity to convene in such a wonderful place.

As the Chairman of the world's oldest telecommunications regulator, I am pleased to be part of a unique and growing community – now some 148 agencies strong worldwide – with each playing a critical role in delivering access to communications to our citizens.

Within the ITU and within our agencies, we have been grappling with the best ways to achieve affordable access to communications. In many ways, we can learn from each other – but at the same time our approaches must also be shaped by each individual country's own unique circumstances.

This Symposium provides us with an opportunity to share experiences as regulators facing common challenges. For example, this morning we are focusing on opportunities in spectrum and wireless services. Many of us are working to expand the benefits of wireless as an additional communications – including broadband – platform for our citizens.

Today – especially in light of our efforts back home to bring the benefit of the digital dividend to American consumers – I thought I would share with you some of the ways that the U.S. Federal Communications Commission is fostering access to communications in the wireless arena. Hopefully, you will find this experience helpful as you contemplate and move forward with your own course of action.

It is difficult to predict what the communications landscape will look like twenty-five, ten or even five years from now. Cell phones are mini-computers. They send e-mail, take pictures, surf the web, play songs and videos. And perhaps more importantly, as shown

in the case of the recent floods in Bangladesh, send emergency messages to warn of impending danger.

While I can't predict what the future holds for mobile technologies, I am confident that we will see the trend toward mobility continue to evolve and mature. The worldwide trend toward mobility is undeniable.

Today, with 3 billion mobile phone subscriptions, half of the world's inhabitants have access to a mobile phone. As far back as 2002, the number of mobile phone subscribers exceeded the number of fixed telephone lines worldwide, and within a majority of developing countries the mobile subscribership outnumbers fixed line subscribership.

Across the globe, we are witnessing a rapid growth in wireless. In the U.S., growth in subscribership has more than quadrupled over the past ten years from just over 48 million in mid-1997 to more than 243 million in mid-2007.²

In Nigeria, growth in the mobile market has increased almost 18 fold between 2002 and 2006.³ And, in a similar vein, if we look just a little bit west of here in India, we see mobile growth rate in excess of 90 percent per year.⁴ Examples like Nigeria and India should be inspiring to all of us.

Domestically, I have set three goals for the Commission in the mobile sector: (1) to make new amounts of spectrum available for the next generation of innovative wireless services and technologies; (2) to put in place flexible rules regarding technology and service choices; and (3) to ensure that our regulations continue to protect consumers.

All regulators and policy makers play a vital role in this mobile evolution. During my tenure as Chairman, we have made vast amounts of spectrum available in the United States for the next generation of innovative wireless services and technologies.

In recent years, we have more than doubled the amount of spectrum previously made available for mobile wireless services. We have also increased the amount of spectrum available for unlicensed use – such as wireless local area networks (Wi-Fi hot-spots). And we are currently working on making even more unlicensed spectrum available in the broadcast bands.

In addition to making as much spectrum available as possible, I believe it's my job as regulator to continue to put in place flexible rules regarding technology choice, service choice and related business decisions. This provides an environment in which

¹ ITU ICT <u>World Telecommunication/ICT Indicators Database</u>, <u>http://www.itu.int/ITU-D/ict/statistics/ict/index.html</u> (site visited March 5, 2008).

² CTIA Semi-Annual Wireless Industry Survey, Mid-Year 2007 Top-Line Survey Results, CTIA-The Wireless Association, available at http://files.ctia.org/pdf/CTIA Survey Mid Year 2007.pdf.

³ ITU ICT Eye Statistics Database, Mobile Statistics, http://www.itu.int/ITU-D/ICTEYE/Indicators/Indicators.aspx# (site visited March 5, 2008).

⁴ ITU ICT <u>World Telecommunication/ICT Indicators Database</u>, http://www.itu.int/ITU-D/ict/statistics/ict/index.html (site visited March 5, 2008).

innovators, entrepreneurs and engineers of the world have the incentive and ability to make the best possible future a reality.

We must also ensure that our regulations continue to protect consumers in this new, more mobile world. We must be vigilant in enforcing the rules that prevent carriers from sharing confidential information about customers without their consent.

In January of this year, the Commission began the process of auctioning over 60 megahertz of prime spectrum in the 700 MHz Band – spectrum that is being freed up for new uses as a result of the digital television transition in the United States.

This auction and the build-out of wireless broadband networks in this spectrum will provide the United States with a significant opportunity to leap forward with next generation services.

The spectrum is especially well suited for wireless broadband because it can carry lots of data, penetrate walls easily, travel far distances and do it with great efficiency and speed. This auction provided a rare chance for the Commission to promote innovation and consumer choice without disrupting existing networks or business plans.

The auction has already been a tremendous success. We've seen significant demand from a variety of players. We have raised more than \$19.5 billion so far. This is almost twice as much as what was initially anticipated, more than the government has ever raised in any previous auction.

And, while this auction has been successful at raising more money for the federal treasury than ever before, revenue-raising alone is not the Commission's purpose. We must ensure that the spectrum is being used efficiently and serving the public interest.

Last year, the Commission made several key changes to the rules governing the 700 MHz Band spectrum that was auctioned. Most significantly, we provided for a more open wireless platform to facilitate innovation and investment.

The licensees for about one-third of the spectrum will be required to provide a platform that is open to any device and application. The licensees will be required to allow customers, device manufacturers, third-party application developers and others to use any device or application of their choice. As a result, citizens in both rural and urban areas of America will be able to use the wireless device of their choice and download whatever software they want.

I believe that more openness – at the network, device, and application level – helps foster innovation and enhances freedom and choice of users. A more open platform will help foster more competition in the industry and ensure that the fruits of innovation on the edges of the network pass more swiftly into the hands of users.

When we adopted the open network rules for the 700 MHz auction, I had hoped they would have a transformative effect on the industry as a whole. I have not been disappointed. Our open platform rules appear to have encouraged many in the wireless industry to adopt a more open and friendly approach to end users.

Our approach pushed the entire mobile sector toward more open business models without directly changing the rules for existing platforms and business models.

The U.S. experience with 700 MHz provides one model of how to encourage wireless innovation. I know others of you here are also thinking of creative approaches to foster mobile technology and services.

By making spectrum available, allowing flexibility in the choice of technology, and protecting our citizens – wireless technology can continue to transform the way we all communicate. We are privileged to be in a position to foster an environment that brings the benefits of mobility to our citizens.

Thank you for affording me the opportunity to address you today. I look forward to our discussions during this Symposium.